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The Collapse of Pakistan's Railway System

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By

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Introduction

A country's railway system is the source of progressive economic activity. An established Railway system is essential to acquire these spheres of development. Pakistan's railway system was established in the 18th century by the Colonial British Empire. The development of railways played a crucial role in connecting different parts of the subcontinent, facilitating trade, transportation, and governance. In contemporary times, Pakistan's Railway system has been collapsing due to various factors such as, negligence, poor governance, financial constraints, degradation of railway infrastructure and decline in quality of service. The transportation of goods, which previously constituted 40% of its revenues, has reduced to between 25 and 30%.¹ Corruption is also a significant issue that is destroying many sectors of Pakistani society, including the railway system.² According to the study by Central Asia Regional Economic Cooperation (CAREC), Pakistan Railways has 466 locomotives and 16,159 freight wagons, out of them, 23% of locomotives and 24% of wagons are unserviceable.³ Furthermore, according to Pakistan Railways' historical data, there were 757 train accidents between 2012 and 2017, with an average of 125 events annually.⁴ Derailments and crashes at unmanned railway crossings were the main contributors to these accidents, with 175 occurrences, including 75 derailments and 76

¹ "The Collapse of Pakistan Railways," The Express Tribune, September 19, 2010, <https://tribune.com.pk/story/52218/the-collapse-of-pakistan-railways>.

² "Pakistan Railway Downfall Final Report," Scribd, accessed August 30, 2023, <https://www.scribd.com/doc/88178955/Pakistan-Railway-Downfall-Final-Report>.

³ Carec program, accessed August 31, 2023, https://www.carecprogram.org/uploads/2020-CAREC-Railway-Assessment_PAK_3rd_2021-5-4_WEB.pdf.

⁴ Reality Check team, "Pakistan Train Fire: Are Accidents at a Record High," BBC News, November 1, 2019, <https://www.bbc.com/news/world-asia-50252409>.

crossing crashes, particularly in 2015. About 150 individuals have perished in train accidents in only the last six years. While Pakistan has made amendments and enhancements in The Railway Act to advance in the locomotive industry & to increase economic activity, there are still constraints that are hindering the effective functioning of the Railway System in Pakistan.

Deficiencies in the Railway system

Railway Infrastructure:

Most of Pakistan's Railway infrastructure including rail tracks, bridges, stations and substructure was originally built by the British Empire in late 18th century that has deteriorated over the period of time. In the current era, Pakistan's deteriorating railway infrastructure is contributing to delays, accidents and safety hazards. The deadliest train accident in the nation occurred in 1990, when 307 persons died in the Sukkur rail tragedy. Another devastating incident that year was the Ghotki rail catastrophe, which claimed over 120 lives. According to government data, Pakistan has experienced at least 19 significant train accidents since 2013, resulting in 341 fatalities and hundreds more injuries.⁵

Funding:

Financial difficulties have been affecting Pakistan Railways for a number of years. The railway system was once a self-supporting enterprise run by an independent Railway Board composed of a Member Traffic, Member Mechanical, Member Civil, and Member Finance. However, Pakistan Railways is currently in serious financial trouble, lacking both the resources and operational locomotives to keep it on track. An audit report on Pakistan Railways' financial statements for the fiscal year 2018–19 states that the audit's purview was restricted to the company's financial statements for the fiscal year 2018–19 alone. The report highlighted a number of fiscal challenges Pakistan Railways was dealing with, including a shortage of financial resources, poor financial management, and inadequate financial planning.^{6 7}

Governance:

The two biggest problems affecting Pakistan Railways' system are corruption, and poor governance. The system has struggled with a shortage of modern locomotives, enormous losses, and budget difficulties. Many branch lines and small stations were forced to close

⁵ Person, "Eight Train Accidents Occurred during Present Pakistani Government's Term, 195 Killed - Official Data ," Arab News PK, June 8, 2021, <https://www.arabnews.pk/node/1872751/pakistan>.

⁶ Audit report on financials of pakistan railways for FY 2018-19, accessed September 1, 2023, https://railways.gov.pk/SiteImage/Misc/files/Spe_%20Audit%20of%20PR%20Financials%2020-18-19%20.pdf.

⁷ Overview of the economy - ministry of finance, accessed September 11, 2023, https://www.finance.gov.pk/survey/chapters_21/Overview.pdf.

as a result of the falling passenger numbers and financial losses in the late 1980s and early 1990s. The 1990s witnessed substantial rail subsidy cuts and corporate mismanagement, which contributed to the current status of the railway system.^{8 9}

Recommendations

To address the concern of Railway system in Pakistan, a comprehensive policy restructuring is vital for developing a source for progressive economic activities. Development of modern and efficient locomotive infrastructure that facilitates trade and transport, budget restructuring which eliminates the factor of corruption and financial mismanagement. Furthermore, a system of governance that obligates effective operation and development of the railway sector. To further elaborate:

Infrastructure Development:

To improve efficiency, reliability, and safety, Pakistan's railway sector requires considerable infrastructure improvement. The following policies are advocated for Pakistan's railway infrastructure development:

1. Adapt the rail industry to market economy requirements while keeping government control and ownership of the railway infrastructure network.
2. Increase investment in transport infrastructure to alleviate Pakistan's current infrastructure deficiency.¹⁰
3. Concentrate on important infrastructure areas such as water, irrigation, power, and transportation.
4. Use the China Pakistan Economic Corridor (CPEC) to spur railway related infrastructure development.

Financial Restructuring:

These policies have the potential to help Pakistan's railway sector become more financially stable, efficient, and profitable, thereby contributing to the country's economic growth and development. The following strategies are advocated to restructure Pakistan's railway sector's financial aspects:

1. Encourage private sector investment in the railway sector to boost finance and efficiency.
2. Use a market-oriented approach to transform a poorly managed public utility into a lucrative and efficient system.

⁸“Railway Assignment 02,” Scribd, accessed September 1, 2023, <https://www.scribd.com/document/434297399/Railway-Assignment-02>.

⁹ “Railway Sector Assessment for Pakistan: March 2021,” Scribd, accessed September 11, 2023, <https://www.scribd.com/document/561105552/2020-CAREC-Railway-Assessment-PAK-3rd-2021-5-4-WEB>.

¹⁰ Quantifying the impact of development of the transport sector in ..., accessed September 4, 2023, <https://www.jstor.org/stable/pdfplus/41261196.pdf>.

3. Create new enterprises in the railway industry to improve system management and operation.
4. Increase investment in the railway sector through financial products and technical help.

Governance:

The following initiatives are advocated to strengthen governance in Pakistan's railway sector:

1. Implement efficient corporate governance practices in the railway sector to ensure transparency, accountability, and ethical behavior.
2. Develop a distinct policy structure for the railway sector and ensure that it is effectively communicated to all stakeholders
3. Increase the private sector's role in the railway sector to improve efficiency and curtail corruption.
4. Restructure the railway industry to better administration and operation, such as by forming new firms.
5. Create a long-term railway plan that is aligned with the country's economic development goals and is reviewed and updated on a regular basis.